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**REBECCA QUICK, CNBC:**

The Biden administration is drafting a foreign aid package that includes assistance for Israel, as well as other top security priorities. For more on that, and the Speaker Chaos, we are joined right now by Libby CantrIll. She is PIMCO's Head of US Public Policy. And Libby, why don't we start what's happening in the House? Because any legislation that's drafted would have to go through the House. You said before that if Jim Jordan didn't get at least 200 votes that his speakership was probably over. He didn't get 200 votes, so what now?

**LIBBY CANTRILL, PIMCO:**

No, he didn't get 200. He didn't get 200. He just got 200 on the first round. He got fewer than that in the second round. He probably will get even less than that in the third round, Becky. It seems like he really is going to take this to a place of exhaustion, just trying, I guess, to show that he really can't get the speakership, maybe just show that to himself. But it doesn't seem like he is likely to get the number of votes, just given the big deficit, right? He needs to get 217. He again got 199, the last vote. In terms of the way forward, Becky, we could see other names coming from the floor. Other folks being nominated for Speaker, which would then just start the series of roll call votes yet again. But I do think that the real issue here is that it is unlikely that any one Republican can get 217 Republican votes. So the most likely outcome, I think in our view, seems to be some sort of agreement with the Democrats to basically expand the authorities that Speaker Pro Tem, Patrick McHenry already has. He's a temporary Speaker. He doesn't have those authorities now. That would have to be subject to a vote if he were elected. Speaker Pro Tem, then that would expand his authorities. That seems at this point, the most likely outcome. But they're obviously, I think, more twists and turns. And in addition to a potential weekend long series of votes for Speaker.

**QUICK:**

McHenry has said that he doesn't want it unless he is elected to that position. He doesn't want to take any of those additional duties on. Libby, at this point, I think you think that this is all just noise. Is there a point where this becomes a much bigger problem?

**CANTRILL:**

Yeah, this is, and this is sort of a sideshow for markets. I don't think markets are really digesting this. I mean, maybe there's a little bit of weakness in Treasury bonds because of this, just because of this sort of general dysfunction, the lack of confidence in our institutions. But I don't think the markets are really paying attention to this. Obviously, there's a lot going on. And I do think it's mostly noise, but it could turn into a signal, the closer we get to November 17th. That, of course, is the deadline. That's when Congress actually has to pass a funding bill to avoid a government shutdown. If you remember, Congress just kicked the can down the road on September 30th. So that will be kind of, I think, the forcing mechanism. And if we get closer to that date without a speaker, then I think the markets could get jittery. One thing I will just mention is that while we have 28 days until that day, we only actually have nine legislative days. There are only nine days that the House is actually supposed to be in session. Now, of course, they could bring folks back and not let them go on recess. But it is, I think, important that while it seems like it's a month away and in kind of Congress- congressional time, it's actually much, much sooner than that. They have much more limited time than you might think, just looking at the calendar.

**JOE KERNEN, CNBC:**

Libby, I mean, like doing some math here. Judd Gregg actually said McCarthy is going to end up there, but I've been doing math. So if McCarthy was at 96% missing eight, he calls him “the crazy eight.” Scalice didn't get a 96%, even on the curve. And Jordan is nowhere near 96%. So Jordan's got to get, he's got to convert over 20. I mean, McCarthy would have to convert four of what he calls “the crazy eight”. And when I watch what's happening, it seems like McCarthy is front and center talking about, he still seems like he's leading the caucus. It seems like. What are the chances that they get for those guys when they actually look at the alternative, which is dealing with Democrats and Hakeem Jeffries and begging for some support from over there? What if they finally say, look, I'd rather have the devil, you know, I'd rather just, let's just do it over again and bring him back and do a sort of a “do over.”

**CANTRILL:**

Yeah, I mean, Joe, it's an excellent point. We've referred to him as the potential for a comeback, you know, the comeback kid, if you will. I think he's by his own admission. He said that he thinks that's unlikely at this point. There's just sort of too much water under the proverbial bridge. But it certainly could be a possibility. I do think you point out a really good dynamic here is that many Republicans, most Republicans don't want to have to concede anything to Democrats in order to elect their own speaker for their votes. That price may seem relatively low bar, but still it is a price. And I do think that the majority of the Republican Congress, as sort of, you know, that's anathema to them. So I think your point is well taken. However, it just feels like that eight or even four of those half of those eight are really intractable that they continue to say that they do not want Kevin McCarthy, that there's just sort of too much bad blood. So that still seems unlikely, although, you know, the longer this goes on, you know, I think the more scenarios we should, we should entertain.

**QUICK:**

Libby, are there things taking place behind the scenes to try and make sure that if there is a speaker of the House and they can bring legislation, that legislation would be stuff that they could pass, whether it comes to keeping the government open, whether it comes to getting some of that aid that the government, the President's requesting for Israel, for Ukraine and beyond.

**CANTRILL:**

Yeah, so Becky, the irony here is that, of course, Speaker McCarthy was partly ousted because, of course, he made a deal with the Democrats, but also over just concerns around the fiscal health of the US, understandable concerns. The irony, however, though, is that without a Speaker in the House, the House Republicans really lose a lot of leverage in this entire, this aid dynamic. So there is going to be an aid package that the White House is ready and that President Biden alluded to last night in his speech, $100 billion is the number that's been thrown out there. The Senate will probably take that up in some sort of form, they may pare that back in terms of the overall cost, but it will be large. And it'll be too large for House Republicans. However, they do really kind of lose their leverage here without a Speaker of the House, as you guys pointed out at the top. No legislation can pass and nothing can be brought up. No committee work can be done. No investigations can be done. So the work of the House just is paralyzed. And as a result, in this sort of aid package, if the Senate can pass it quickly now, and that's a big if, then they could certainly sort of jam the House. So in some ways, the great irony here is that these folks have sort of thrown McCarthy out because of concerns around the fiscal health, but because they're without a speaker, they actually could be more vulnerable in terms of being jammed by the Senate with this really pretty big aid package with a big, with a big price tag.

**KERNEN:**

Never really about that, right? It's personal stuff.

**QUICK:**

It's personal. For sure. Yes.

**KERNEN:**

All right, thanks Libby.